

TRACY HOPE DAVIS
United States Trustee for Region 2
U.S. Department of Justice
Office of the U.S. Trustee
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Hearing Date and Time:
October 10, 2012, at 10:00 a.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
	:	
LEHMAN BROTHERS HOLDINGS INC.	:	
<u>et al.</u> ,	:	Case No. 08-13555 (JMP)
	:	
	:	
Debtors.	:	(Jointly Administered)
	:	
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**STATEMENT OF THE UNITED STATES TRUSTEE WITH RESPECT TO
REMAINING APPLICATIONS OF: (I) THE AD HOC GROUP OF LEHMAN
BROTHERS CREDITORS, (II) THE LEHMAN BROTHERS SPECIAL FINANCING
INC. WORKING GROUP AND (III) GOLDMAN BANK USA AND GOLDMAN
INTERNATIONAL FOR ALLOWANCE AND PAYMENT OF FEES AND
REIMBURSEMENT OF EXPENSES PURSUANT TO 11 U.S.C. § 503(B)**

TO: THE HONORABLE JAMES M. PECK,
UNITED STATES BANKRUPTCY JUDGE:

Tracy Hope Davis, the United States Trustee for Region 2 (the “United States Trustee”),
by and through her counsel, respectfully submits this statement (the “Statement”) with respect to
the remaining applications of: (i) the Ad Hoc Group of Lehman Brothers Creditors (the “Creditor
Group”), (ii) the Lehman Brothers Special Financing Inc. Working Group (the “Non Con

Group”) and (iii) Goldman Bank USA and Goldman International (collectively, “Goldman”) for Allowance and Payment of Fees and Reimbursement of Expenses Pursuant to 11 U.S.C. § 503(b) (the “503(b) Applications”).¹ In respect hereof, the United States Trustee respectfully states:

FACTS

1. From July 3, 2012, through July 5, 2012, the Creditor Group, the Non Con Group, Goldman and the Ad Hoc Group of Holders of Notes Issued by Lehman Brothers Treasury Co. B.V. and Guaranteed by Lehman Brothers Holdings Inc. (the “Noteholder Group” and together with the Creditor Group and the Non Con Group, the “503(b) Applicants”) filed the 503(b) Applications for allowance and payment of fees and reimbursement of expenses pursuant to Section 503(b) of title 11, United States Code (the “Bankruptcy Code”). (ECF Nos. 29195, 29222, 29223, 29239 and 29240).

2. On July 25, 2012, the United States Trustee timely filed an omnibus objection (the “UST Objection”) to the 503(b) Applications. (ECF No. 29639).

3. Subsequently, the United States Trustee, through counsel, engaged in negotiations with the 503(b) Applicants to determine whether a consensual resolution of the UST Objection could be achieved.

4. On or about September 17, 2012, the United States Trustee and the 503(b) Applicants resolved the UST Objection with respect to the applications of White & Case, Cleary and Brown Rudnick. Specifically, it was agreed that if the Court determined that the 503(b)

¹ The 503(b) Applications include requests for allowance and payment of fees and reimbursement of expenses for six professionals, including White & Case, LLP (“White & Case”), Cleary Gottlieb Steen & Hamilton LLP (“Cleary”), Brown Rudnick LLP (“Brown Rudnick”), AlixPartners LLP (“Alix”), Molinaro Advisors LLC (“Molinaro”) and Blackstone Advisory Partners LP (“Blackstone”).

Applicants had made substantial contributions to these estates within the meaning of Bankruptcy Code Section 503(b) and the applicants voluntarily reduced their requested fees and expenses, then the UST Objection with respect to the applications of White & Case, Cleary and Brown Rudnick would be resolved pending court approval.²

5. On September 19, 2012, the Court held a hearing and considered the applications of White & Case, Cleary and Brown Rudnick and the proposed resolution with the United States Trustee. The Court determined that the Creditor Group, the Non Con Group and the Noteholder Group had made substantial contributions within the meaning of Section 503(b) of the Bankruptcy Code, approved the resolution of the UST Objection as to these applicants and granted the fees and expenses in the reduced amounts.

6. The hearing on the 503(b) applications of Alix, Molinaro and Blackstone was adjourned to October 10, 2012, at 10:00 a.m.

7. The United States Trustee, through counsel, thereafter engaged in negotiations with Alix, Molinaro and Blackstone who provided the United States Trustee with supplemental documentation and information. As a result, the UST Objection with respect to these applications has been resolved pending court approval.³

² The voluntary fee reductions by White & Case, Cleary and Brown Rudnick aggregated approximately \$1 million.

³ As part of this resolution, Blackstone agreed to reduce voluntarily its fee request by \$1 million.

STATEMENT

8. Based upon the above representations, the UST Objection as to these applications is withdrawn.

Dated: New York, New York
October 9, 2012

Respectfully submitted,

TRACY HOPE DAVIS
UNITED STATES TRUSTEE

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